



Fresenius Medical Care

Investor News

**Fresenius Medical Care AG
Investor Relations**

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FIRST QUARTER REVENUE UP 16% AND NET INCOME INCREASED 20% TO US\$ 55 MILLION

First Quarter Highlights - On Track for Full Year Targets

- Net revenue: + 16% to \$ 1,159 million (18% constant currency)
- Operating profit (EBIT): + 8% to \$ 157 million (11% constant currency)
- Net income (EAT): + 20% to \$ 55 million (25% constant currency)

Bad Homburg, Germany -- May 3, 2001 -- Fresenius Medical Care AG (Frankfurt Stock Exchange: FME, FME3) (NYSE: FMS, FMS_p), the world's largest provider of Dialysis Products and Services, today announced a 20% increase in **net income** up to \$55 million for the first quarter 2001.

Total revenue for the first quarter 2001 increased to \$ 1,159 million from \$ 1,001 million, an increase of 16% (18% constant currency).

North American revenue rose 17% to \$ 867 million compared to \$ 742 million the same period last year. North American **Dialysis Care** revenue increased by 20% to \$ 754 million. This increase in revenue includes \$ 66 million of sales from the consolidation of Everest Healthcare Corp. Same store treatment growth continued to be above market during the first quarter of 2001 and same store revenue growth continues to be strong, reaching a double-digit 10% growth. North American **Dialysis Product** revenue, including sales to company-owned clinics, increased 3% to \$ 177 million compared to the first quarter of 2000.

International revenue rose to \$ 293 million, 21% in constant currency, from \$ 259 million for the first quarter of 2000. This overall strong performance was due to both Dialysis Care and Products continued above market growth. Growth in **Dialysis Care** revenue was especially strong, increasing by nearly 40%, up to \$ 96 million (47% at constant currency). Adjusted for currency, **Dialysis Products** revenue increased 13%, including sales to company-owned dialysis clinics, to \$ 216 million in the first quarter 2001.

Earnings before interest, taxes, depreciation and amortization (**EBITDA**) for the first quarter of 2001 were \$ 237 million, up 10%. The EBITDA margin was 20.4%. When adjusted for the integration of Everest Healthcare Corporation, the EBITDA margin would have been 21.0% in the first quarter of 2001. The Everest Healthcare Corporation integration is to be completed by the end of the second quarter 2001.

Earnings before interest and taxes (**EBIT**) increased 8% to \$ 157 million from \$ 145 million in the same period last year. This resulted in an EBIT margin of 13.6% compared to 14.5% in the first quarter 2000. The integration of Everest Healthcare Corporation and the effect of the strong US dollar vs. the Euro impacted the EBIT margin. When adjusted for these effects, the EBIT margin in the first quarter would have been 14.4 %.

Earnings per share (EPS) in the first quarter rose 2% to \$ 0.56 (\$ 0.19 per ADS) compared to \$ 0.55 (\$ 0.18 per ADS) in 2000. The weighted average number of shares

outstanding during the first quarter of 2001 were approximately 96 million compared with 82 million in the same period of 2000.

As of March 31, 2001, the Company operated a total of 1,350 **clinics** worldwide of which 350 clinics were outside of North America. In the first quarter 2001, 62 clinics were added via acquisitions and 22 new clinics were opened by the Company. Fresenius Medical Care AG performed approximately 3.6 million **treatments**, which represents an increase of 21 % year over year. North America accounted for 2.7 million treatments (+18%) and the International segment for 0.9 million (+33%).

The Company generated \$ 77 million in cash from operations. A total of \$ 61 million (net of disposals) was spent for capital expenditures, resulting in a Free Cash Flow for the first quarter 2001 of \$ 16 million. Capital expenditures were \$ 18 million higher than in Q1 2000, representing an increased spending in the dialysis care business especially in de-novo clinics. A total of \$ 117 million in cash was spent for acquisitions.

Ben Lipps, Chief Executive Officer of Fresenius Medical Care commented: "We continued to have strong performance consistent with our overall targets for 2001. We have expanded our product pipeline, increased production capacity, and continually focus toward operational improvements in all regions. For the full year 2001 we are targeting revenue growth in the range of 12% - 14% and we expect to continue our pattern of strong growth in earnings after tax by targeting an increase of around 20%".

Fresenius Medical Care AG is the world's largest, integrated provider of products and services for individuals with chronic kidney failure, a condition that affects more than 1,000,000 individuals worldwide. Through its network of approximately 1,350 dialysis clinics in North America, Europe, Latin America and Asia-Pacific, Fresenius Medical Care provides Dialysis Treatment to approximately 98,600 patients around the globe. Fresenius Medical Care is also the world's leading provider of Dialysis Products such as hemodialysis machines, dialyzers and related disposable products. For more information about Fresenius Medical Care, visit the Company's website at <http://www.fmc-ag.com>.

This release contains forward-looking statements that are subject to various risks and uncertainties. Actual results could differ materially from those described in these forward-looking statements due to certain factors, including changes in business, economic and

competitive conditions, regulatory reforms, foreign exchange rate fluctuations, uncertainties in litigation or investigative proceedings, and the availability of financing. These and other risks and uncertainties are detailed in Fresenius Medical Care AG's reports filed with the U.S. Securities and Exchange Commission. Fresenius Medical Care AG does not undertake any responsibility to update the forward-looking statements in this release.

Fresenius Medical Care AG

Statements of Earnings at current exchange rate

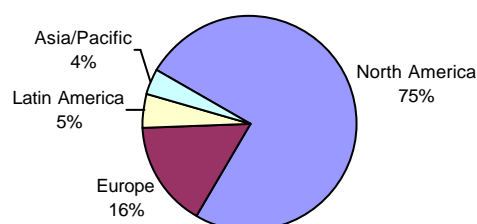
(in US-\$ thousands, except share and per share data)

(unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	% Change
Net revenue			
Dialysis Care	849,984	694,566	22.4%
Dialysis Products	309,506	306,369	1.0%
	1,159,490	1,000,935	15.8%
Cost of revenue	769,710	648,172	18.8%
Gross profit	389,780	352,763	10.5%
Selling, general and administrative	224,499	198,735	13.0%
Research and development	7,966	8,554	-6.9%
Operating income (EBIT)	157,315	145,474	8.1%
Interest (income) expense, net	52,789	55,479	-4.8%
Earnings before income taxes and minority interest	104,526	89,995	16.1%
Income tax expense	49,692	43,897	13.2%
Minority interest	327	753	-56.6%
Net income	\$54,507	\$45,345	20.2%
Earnings per ordinary share	\$0.56	\$0.55	1.8%
Earnings per ordinary ADS	\$0.19	\$0.18	1.8%
Earnings per preference share	\$0.58	\$0.56	3.6%
Earnings per preference ADS	\$0.19	\$0.19	3.6%
Average weighted number of shares			
Ordinary shares	70,000,000	70,000,000	
Preference shares	25,894,569	11,981,976	

Sales by region Q1 2001

in US\$ m	Q1 2001	Q1 2000	y-o-y	currency adjusted
North America	867	742	17%	-
Europe	189	179	5%	13%
Latin America	59	42	42%	49%
Asia/Pacific	45	38	17%	29%
Total	1,159	1,001	16%	18%



Segment and other information(in US-\$ million)
(unaudited)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	% Change
Net revenue			
North America	867	742	16.8%
International	293	259	13.1%
Total sales	1,159	1,001	15.8%
EBIT			
North America	109	99	10.2%
International	51	49	4.2%
Corporate	(3)	(3)	12.7%
EBIT	157	145	8.1%
Depreciation / Amortization	79	71	
Allowance for doubtful accounts	19	13	
Employees (March, 30 compared to Dec., 31)			
Full-time equivalents	35,521	33,316	
Percentages of revenue			
Cost of revenue	66.4%	64.8%	
Gross profit	33.6%	35.2%	
Selling, general and administrative	19.4%	19.9%	
Research and development	0.7%	0.9%	
Operating income (EBIT)	13.6%	14.5%	
Interest (income) expense, net	4.6%	5.5%	
Earnings before income taxes and minority interest	9.0%	9.0%	
Income tax expense	4.3%	4.4%	
Minority interest	0.0%	0.1%	
Net income	4.7%	4.5%	
EBITDA	20.4%	21.6%	
